

By: Lucio

S.B. No. 1114

A BILL TO BE ENTITLED

AN ACT

relating to financial assistance provided for the demolition and replacement of unsafe housing and the purchase of manufactured homes by individuals and families of very low income.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter AA, Chapter 2306, Government Code, is amended by adding Sections 2306.6024 and 2306.6025 to read as follows:

Sec. 2306.6024. TEXAS SAFE HOME PROGRAM. (a) The division shall establish and administer a program to provide financial assistance for the demolition and replacement of owner-occupied single-family homes that are in a condition that poses a risk to the health and safety of the occupants.

(b) The Manufactured Housing Board shall adopt rules to implement the program described by this section. Rules adopted under this section must establish:

(1) procedures and forms for nominating a household for participation in the program;

(2) eligibility criteria for participation in the program, including criteria based on:

(A) the financial need of the household;

(B) the physical condition of the home; and

(C) other criteria the Manufactured Housing Board considers necessary;

1           (3) procedures for evaluating a household's  
2 eligibility for participation in the program;

3           (4) a system that:

4                 (A) prioritizes and maximizes the allocation of  
5 available funds; and

6                 (B) includes the assignment of eligible  
7 households to specific funding priority levels that are designed to  
8 ensure the most effective use of funds for the most exigent  
9 circumstances; and

10           (5) the manner in which a nomination must be made and  
11 the manner in which households will be assigned to a specific  
12 funding priority level under the system described by Subdivision  
13 (4).

14           (c) Funding priority levels described by Subsection  
15 (b)(4)(B) must give high priority to:

16                 (1) households with children, the elderly, or persons  
17 with disabilities;

18                 (2) households whose health and safety are at greatest  
19 risk due to the continued occupancy of a home described by  
20 Subsection (a); and

21                 (3) households that:

22                         (A) are eligible for and will receive third-party  
23 contributions, including volunteer labor or additional loans,  
24 grants, or other financial assistance; or

25                         (B) will contribute labor in the demolition or  
26 construction of the home.

27           (d) A household may be nominated for participation in the

1 program by a mayor, fire chief, fire marshal, volunteer fire chief,  
2 county commissioner, or county judge filing a nomination with the  
3 division.

4 (e) On receipt of a nomination regarding a household, the  
5 division shall determine whether the household is eligible to  
6 participate in the program. If the household is eligible, the  
7 division shall establish a funding priority level for the  
8 household.

9 (f) A household may not be required to participate in the  
10 program.

11 (g) In determining whether a nominated household is  
12 eligible for participation in the program and for the purpose of  
13 establishing a funding priority level for the household, an  
14 inspector with the division shall inspect the home with the  
15 homeowner and with the person who nominated the household or that  
16 person's designee.

17 (h) Financial assistance administered under this section  
18 may be provided in the form of a grant, partial grant, loan, or  
19 forgivable loan.

20 (i) The division shall establish the Texas safe home trust  
21 fund. The Texas safe home trust fund:

22 (1) is a fund:

23 (A) administered by the division; and

24 (B) placed with the Texas Treasury Safekeeping  
25 Trust Company;

26 (2) consists of:

27 (A) money deposited to the fund under Section

1 158.056, Tax Code;

2 (B) appropriations or transfers made to the fund;

3 (C) unencumbered fund balances;

4 (D) public or private gifts, grants, or  
5 donations;

6 (E) investment income, including all interest,  
7 dividends, capital gains, or other income from the investment of  
8 any portion of the fund;

9 (F) repayments received on loans made from the  
10 fund; and

11 (G) funds from any other source; and

12 (3) may be used only to support the programs  
13 established under this section and Section 2306.6025.

14 (j) The division shall attempt to secure an agreement with:

15 (1) private lending institutions for below market rate  
16 loans for use in the program; and

17 (2) manufacturers of manufactured housing for the  
18 provision of HUD-code manufactured homes at a discounted price.

19 (k) An entity that enters into an agreement with the  
20 division under Subsection (j) may:

21 (1) be designated as an "Official Partner of the State  
22 of Texas for Safe and Affordable Homes"; and

23 (2) use the designation described by Subdivision (1)  
24 in advertising and promotion.

25 (l) The division may enter into a contract for the  
26 administration of the program.

27 (m) Not later than September 1 of each year, the division

1 shall submit to the governor, the lieutenant governor, the speaker  
2 of the house of representatives, and the state fire marshal a report  
3 that documents for the preceding state fiscal year the number of  
4 households that participated in the program, the nature of the  
5 financial assistance provided under the program, and the amounts of  
6 public and private financial assistance administered through the  
7 program.

8 Sec. 2306.6025. MANUFACTURED HOME PURCHASE ASSISTANCE  
9 PROGRAM. (a) The division shall establish a program to provide  
10 financial assistance to eligible persons for the purchase of new  
11 manufactured homes from a retailer licensed under Chapter [1201](#),  
12 Occupations Code.

13 (b) The Manufactured Housing Board shall adopt rules  
14 governing:

15 (1) the administration of the program;  
16 (2) the issuance of financial assistance under the  
17 program;

18 (3) eligibility criteria for participation in the  
19 program, including creditworthiness and purchase price criteria;

20 (4) exceptions to the residency requirement under  
21 Subsection (c)(1), including death, loss of employment, or other  
22 exigent circumstances; and

23 (5) the structure of the financial assistance provided  
24 under this section, which may include secured or unsecured deferred  
25 forgivable loans.

26 (c) To be eligible for financial assistance under this  
27 section, a person must:

1           (1) reside in this state on the date on which an  
2 application for financial assistance under this section is filed;

3           (2) be an individual or family of very low income;

4           (3) except as provided by the division program  
5 guidelines or rules, continuously occupy the purchased  
6 manufactured home as the person's primary residence for at least  
7 two years following the date of purchase of the home; and

8           (4) satisfy any other requirements established by the  
9 Manufactured Housing Board.

10          (d) When adopting additional rules on homeowner  
11 eligibility, the Manufactured Housing Board may consider giving  
12 priority in allocating financial assistance under this section to:

13           (1) a person who is currently serving in the military  
14 or who is a veteran;

15           (2) a person who is at least 65 years of age;

16           (3) a person who has not owned a home during the three  
17 years before the date on which an application is filed under this  
18 section;

19           (4) a person who is replacing an existing manufactured  
20 home used as the person's primary residence that was manufactured  
21 more than 15 years before the date on which an application is filed  
22 under this section;

23           (5) a person buying a manufactured home that is an  
24 "Energy Star" qualified manufactured home or that conforms to the  
25 energy efficiency standards or program jointly operated by the  
26 United States Department of Housing and Urban Development and the  
27 United States Department of Energy; and

1           (6) a person who will install the home in a county with  
2 a population of 150,000 or less.

3           (e) For each manufactured home purchased with financial  
4 assistance under this section, the assistance may not exceed the  
5 lesser of:

6                   (1) \$35,000;

7                   (2) 50 percent of the total purchase price of the  
8 manufactured home; or

9                   (3) 50 percent of the total purchase price of the  
10 manufactured home and the real property on which a manufactured  
11 home has been installed, if a real property election has been  
12 perfected under Section 1201.222(a), Occupations Code.

13           (f) Financial assistance provided under this section to  
14 purchase a home having a primary loan associated with the purchase,  
15 if the loan does not involve the use of real property as security,  
16 must be provided by a lender that:

17                   (1) makes consumer loans on manufactured homes in this  
18 state in conformance with Chapter 347, Finance Code; or

19                   (2) is a federally insured depository institution.

20           (g) A lender must comply with applicable requirements of  
21 state and federal law if the loan involves the use of real property  
22 as security.

23           (h) The division may fund the program with:

24                   (1) money appropriated to the division for that  
25 purpose;

26                   (2) money deposited to the Texas safe home trust fund  
27 under Section 158.056, Tax Code; and

1           (3) funds from any other source.

2           (i) A person who receives financial assistance through a  
3 second lien loan under this section shall repay the outstanding  
4 balance of the loan if the person ceases to occupy the manufactured  
5 home as the person's primary residence.

6           (j) The division shall award financial assistance under the  
7 program on a first-come, first-served basis. The division may  
8 publish on its Internet website notice that the division is  
9 accepting applications for the program.

10           (k) The division may reserve for payment of administrative  
11 expenses not more than five percent of money received for the  
12 program under this section.

13           (l) The division may coordinate with local government  
14 officials and utility providers to promote awareness of the program  
15 and to receive recommendations of persons potentially eligible to  
16 participate in the program.

17           SECTION 2. Section 158.056, Tax Code, is amended by adding  
18 Subsection (c) to read as follows:

19           (c) The comptroller shall deposit 100 percent of the tax  
20 imposed under this section to the credit of the Texas safe home  
21 trust fund established under Section 2306.6024, Government Code,  
22 for use only for the purposes authorized by Subsection (i) of that  
23 section.

24           SECTION 3. This Act takes effect September 1, 2017.